

Message Text

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ACTION EB-06

INFO OCT-01 ARA-06 ISO-00 COME-00 L-01 CIAE-00 INR-05

NSAE-00 RSC-01 TRSE-00 AID-05 DRC-01 /026 W

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R 181540Z OCT 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 2405

C O N F I D E N T I A L LIMA 8838

E.O. 11652: GDS

TAGS: BBAK, PE

SUBJ: BONA FIDES OF PRIVATE U.S. INVESTOR GROUPS

REF: LIMA 8828

1. AN EMBASSY OFFICER DISCUSSED BONA FIDES OF MUICO STEWART COMPANY WITH PERUVIAN STATE DEVELOPMENT BANK (COFIDE) OFFICIALS OCTOBER 16. OFFICIALS SAID THAT WHILE NOT ACQUAINTED PERSONALLY WITH THIS OUTFIT, GIVEN THE NATURE OF THE TERMS AND PUBLICITY, THEY ARE VITRULLY CERTAIN THAT IT IS ONE OF MANY FLY-BY-NIGHT FIRMS WHICH OFFER OUTLANDISHLY LARGE SUMS AT VERY LOW CONCESSIONAL RATES, BUT, WHEN PRESSED, HAVE NO SOUND FINANCIAL REFERENCES. THEY SAID THAT COFIDE AND BANCO DE LA NACION REGULARLY RECEIVE OFFERS FROM SUCH GROUPS, SEVERAL DURING THE PAST YEAR. MOST TURN OUT TO BE INTERMEDIARIES OF UNIDENTIFIED THIRD PARTIES WHOSE SOURCES THEY ARE UNWILLING TO IDENTIFY AND HAVE NEITHER DUN AND BRADSTREET REFERENCES NOR FIRST-CLASS FINANCIAL STATEMENTS FROM REPUTABLE BANKS. IN THE SPECIFIC CASE OF MUICO STEWARD COMPANY OF NEW YORK, A COFIDE OFFICIAL SAID THAT A DIFFERENT GROUP, WHOSE NAME HE DID NOT RECALL, SOME MONTHS AGO APPROACHED GOP WITH OFFERS TO PARTICIPATE IN THE PIURA IRRIGATION PROJECT AND THE LIMA GARBAGE PROJECT, AND HE BELIEVED THIS GROUP MAY HAVE BEEN BACKED BY ARAB MONEY.

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2. ON RELATED MATTER, DURING CONVERSATION WITH AMBASSADOR

ON OCTOBER 15, MINISTER OF INTERIOR, GENERAL RICHTER, REMARKED THAT SHORTLY AFTER BEING NAMED MINISTER HE HAD BEEN APPROACHED BY A GROUP WHICH OFFERED GOP ONE HUNDRED MILLION DOLLARS OF 20-YEAR MONEY AT 2-1/2 PERCENT WHICH, ON BEING PRESSED, ADMITTED MONEY WAS TO COME FROM MAFIA SOURCE. ACCORDING TO RICHTER, GROUP TOLD PERUVIANS MAFIA OFFERED THIS MONEY TO PERU INSTEAD OF U.S. OR EUROPE WHERE IT HAD ORIGINATED BECAUSE OF TAX AND OTHER LEGAL CONSIDERATIONS. MAFIA WOULD ALSO EXPECT GOP, AT LEAST TACITLY, TO TAKE MORE LENIENT STANCE WITH RESPECT TO TRADE IN COCA AND COCAINE IT MIGHT ENGAGE IT. RICHTER SAID HE HAD CATEGORICALLY REJECTED THIS OFFER, BUT SPECULATED THAT A SIMILAR OFFER MIGHT NOT BE REJECTED IN SOME OTHER COUNTRIES.

3. COMMENT: WHILE WE HAVE NO REASON TO BELIEVE THAT MUICO STEWART IS NOT IN FACT A LEGITIMATE CONCERN, THE NATURE OF ITS OFFER MAKES IT APPEAR CONCEIVABLE THAT SOME KIND OF QUESTIONABLE TRANSACTIONS MIGHT BE INVOLVED, PARTICULARLY GIVEN THE LARGE SUM AND CONCESSIONAL RATES. WE WOULD APPRECIATE ANY VIEWS THE DEPARTMENT MIGHT HAVE ON THIS LARGER ISSUE, AS WELL AS THE BONA FIDES FOR MUICO STEWART COMPANY REQUESTED IN REFTEL.
DEAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 18 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LIMA08838
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740298-0056
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741036/aaaabemo.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: LIMA 8828
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2002 by kelleyw0>; APPROVED <19 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BONA FIDES OF PRIVATE U.S. INVESTOR GROUPS
TAGS: BBAK, PE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005